



News Release from Congressman

ROB SIMMONS

SECOND DISTRICT, CONNECTICUT

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TAIWAN AGREES TO "SIMMONS PLAN" FOR DIESEL SUBS

Taiwanese Defense Bill Includes Funding To Kick-Start Sale

EB Designers and Shipbuilders Could See Diesel Sub Work

WASHINGTON, DC – Rep. Rob Simmons, R-2nd District, today announced that the Taiwan government has submitted to its parliament an annual defense budget that includes \$139 million to begin work on a deal to buy U.S.-made diesel submarines. This development could mean design and construction jobs at Groton's Electric Boat.

"Taiwan's historic decision to include this funding in its annual budget means that both Washington and Taipei are on board with the 'Simmons Plan,'" the Connecticut lawmaker said. "This is great news for our designers and shipbuilders, who will have an opportunity to design and build the ships for Taiwan."

In a letter received Sept. 25, Taiwan Defense Minister Lee Jye praised Simmons for pushing his plan to break the proposed diesel submarine sale into two parts: a design phase and a construction phase. "Your efforts were critical to helping Taiwan and the United States reach an acceptable procurement strategy for the submarines," Jye wrote. "The Simmons Plan – an innovative proposal to separate the submarine design and construction work – gives Taiwan the flexibility it needs to move forward in the acquisition process."

Designing and constructing submarines for Taiwan is one point in Simmons' multi-pronged plan to revitalize the U.S. submarine industry and retain jobs at the Groton-based shipyard. Earlier this month, Simmons announced Congress has agreed to include in the defense authorization bill \$400 million in seed money to begin building two fast-attack Virginia-class submarines per year in 2009.

According to Taiwan government sources, the defense budget submitted to Taiwan's parliament has \$139 million to cover the first year of the design phase, and approximately \$216 million total projected for the first two years. Follow-on bills could include additional design and construction funds. If executed, a deal for eight diesel submarines could total between \$8 and \$12 billion dollars.

As the main U.S. contractor for military submarines, EB is home to the nation's submarine design core and as such is uniquely positioned to compete for the work. EB and labor leaders have informed Simmons and Taipei that they are prepared and willing to build Taiwan submarines under the normal supervision of the U.S. Navy.

A copy of the Jye letter is attached.

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